is manipulation, and not speculation, which is detrimental to the functioning of the market. The regulator, Securities and Exchange Board of India (SEBI) is concerned only with price manipulation. If any, SEBI keeps a constant vigil on the market, irrespective of the levels of the indices and has taken action wherever warranted.

Loans to Self Help Groups

1129. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry is aware that the State Government of Andhra Pradesh is giving loans to Self Help Groups (SHGs) at 25 paise and has also decided to extend the same to farmers in the State and has sought help from the Central Government;

(b) if so, the details thereof; and

(c) what action his Ministry has taken or proposed to take on the above request?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Government of Andhra Pradesh has introduced interest subsidy from 01 July 2004 for prompt repayment of bank loans by the Self Help Groups (SHGs) availed directly from banks or through SHG Federation. The objective of the scheme (called "Pavala Vaddi" Scheme i.e. 25 paise interest) is to provide loans to SHGs at 3% per annum.

The details of the Pavala Vaddi Scheme are given below:

* All the groups that have availed loan from banks under SHG-Bank Linkage programme after 01 July 2004 are eligible for interest subsidy.
* The groups have to repay the loans as per the schedule negotiated with banks.
* In case any group defaults in repayment of interest/principal for more than three months, SHG becomes ineligible under the scheme.
* Government may reimburse the interest burden of the groups over and above 3% per annum charged by the banks. The subsidy amount is to be directly credited to the savings bank account of the eligible groups.

Subsidies for bridging economic disparities

1130. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Prime Minister, while speaking at Golden Jublee celebrations of the Institute of Economic Growth (IEG) in New Delhi on 15th December, 2007 expressed the views that subsidies meant to bridge economic disparities, were not reaching the poor;

(b) if so, how much amount by way of subsidies in food, fertilizers and petroleum (item-wise) was sanctioned/spent by Government during last two years, till date; and

(c) what steps Government has taken so far against a subsidy regime which did not address objective of equity and efficiency and even failed to plug leakages?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Prime Minister, while speaking at Golden Jubilee celebrations of the Institute of Economic Growth (IEG) in New Delhi on 15th December, 2007 had said, "I find

we spend far too much money funding subsidies in the nature of equity, with neither equity objectives nor efficiency objectives being met."

(b) The amount of subsidies on food, fertilizers and petroleum (item-wise) sanctioned/ spent by Government during the last two years, till date are given below:

(Rs. crore)

	2005-06		2006-07		2007-08	
	(B.E.)	Actual	(B.E.)	Actual	(B.E.)	Actual (upto January, 2008)
1. Food subsidy	26200	23077	24200	24014	25696	24395
2. Fertilizer subsidies	16254	18460	17252	26222	22451	28705
3. Petroleum subsidy	3644	2683	3080	2699	2840	1998

Source: Expenditure Budget (various issue) and Controller General Accounts (CGA).

(c) The food subsidies are largely designed to be targeted to people below the poverty line (BPL), the other two subsidies, namely fertilizer and petroleum, particularly the LPG are available to all users/consumers. Based on evaluation studies and feedback received from states, a nine point action plan has been jointly formulated by the Central and the State/UT governments to strengthen the Targeted Public Distribution System (TPDS). These include regular reviews of the BPL and Antyodaya Ann Yojana (AAY) lists to ensure coverage of eligible families, involvement of Panchayati Raj Institutions in the public distribution system (PDS) operations, use of information technology, creating awareness among public about PDS operations, etc.

Lapses in the IT and Customs Departments

1131. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the defects of lapses pointed out by the Comptroller and Auditor General in audit paragraphs in respect of Income Tax Department and Customs Department in one area of jurisdiction are found in another area of jurisdiction after some time for want of correction at all India level; and

(b) whether there would be a suitable mechanism to avert this kind of recurrence?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The objections pointed out by the Comptroller and Auditor General in Audit paragraphs are case specific and relate to the facts and circumstances of particular cases. Replies to issues raised by C & AG are finalized at senior levels to ensure uniform applicablity.

(b) Instructions are issued from time to time by CBDT and CBEC prescribing the procedure for dealing with Audit objections and also for taking appropriate remedial action on case to case basis. Copies of C&AG reports are circulated to internal Audit Parties and the other field formations to alert them and ensure that action is taken to safeguard the revenue if similar cases are noticed by them.